



January 30, 2026

To whom it may concern:

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 Name of representative: Makoto Tani, President, Director  
 (Securities code: 1949; TSE Prime Market)  
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**Notice Regarding Issuance of Class A Preferred Share through Third-Party Allotment and  
 Reduction of Amounts of Capital Stock and Legal Capital Surplus**

Sumitomo Densetsu Co., Ltd. (the "Company") hereby announces that, at the meeting of the Board of Directors held today, the Company resolved to issue Class A Preferred Shares to Daiwa House Industry Co., Ltd. (the "Planned Allottee") through third-party allotment (the "Capital Increase through Third-Party Allotment") and to reduce the amounts of capital stock and legal capital surplus after the Capital Increase through Third-Party Allotment (the "Capital Reduction") as follows:

**I. Regarding the Capital Increase through Third-Party Allotment**

**1. Overview of the Offering**

(1)	Payment date	March 24, 2026
(2)	Number of new shares to be issued	1 Class A Preferred Share
(3)	Issue price	JPY 123,033,219,326 per share
(4)	Amount of funds to be procured	JPY 123,033,219,326
(5)	Method of offering or allotment (Planned Allottee)	The Class A Preferred Share will be entirely allotted to Daiwa House Industry Co., Ltd. through third-party allotment.
(6)	Other	For details, please refer to the Appendix "Terms and Conditions of Class A Preferred Share." The Capital Increase through Third-Party Allotment is on the conditions that (i) the underwriting agreement between the Company and the Planned Allottee has been duly executed and remains effective, (ii) the proposal on the consolidation of shares to consolidate 1,048,714 common shares of the Company (the "Company Shares") into 1 share, effective on March 5, 2026, (the "Share Consolidation") is approved at the extraordinary shareholders meeting of the Company to be held on February 9, 2026 (the "Extraordinary Shareholders Meeting"), (iii) the Share Consolidation has become effective, and (iv) the proposal on the Capital Increase through Third-Party Allotment and the proposal

	on partial amendment to the Articles of Incorporation concerning creation of new provisions on the Class A Preferred Share are approved at the resolution of the general shareholders meeting of the Company (including the written resolution set forth in Article 319, Paragraph 1 of the Companies Act).
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## 2. Purpose of and Reason for Offering

As described in the "Notice Concerning Opinion in Favor of Tender Offer for the Company Shares, etc. by Daiwa House Industry Co., Ltd. and Recommendation to Tender," announced by the Company on October 30, 2025 (the "Opinion Press Release") and the "Notice Regarding the Results of the Tender Offer for the Company Shares by Daiwa House Industry Co., Ltd. and Changes in Major Shareholders and Other Affiliates," announced by the Company on December 16, 2025, the Planned Allottee conducted a tender offer (the "Tender Offer") for the Company Shares during the tender offer period, which was the 30 business days from October 31, 2025 to December 15, 2025, as part of the transaction aiming at acquiring all of the Company Shares (excluding treasury shares held by the Company and the Company Shares held by Sumitomo Electric Industries, Ltd. ("Sumitomo Electric Industries")) (17,828,151 shares; Ownership ratio (Note 1): 50.66%; the "Non-Tendered Shares"), which is the parent company of the Company) and eventually making the Company a wholly-owned subsidiary (the "Transaction"). As a result, the Planned Allottee held 14,389,928 Company Shares (Ownership ratio: 40.89%) as of December 22, 2025, which was the commencement date of settlement of the Tender Offer.

(Note 1) "Ownership ratio" means the percentage (rounded to two decimal places) obtained by dividing the number of shares held by a shareholder by the number of shares (35,190,831 shares) calculated by deducting the number of treasury shares held by the Company as of September 30, 2025 (445,048 shares) from the total number of issued shares as of that date (35,635,879 shares), as stated in the "Financial Results for the Second Quarter Ended March 31, 2026 (Japanese GAAP) (Consolidated)" announced by the Company on October 30, 2025.

As described above, although the Tender Offer was completed, the Planned Allottee was unable to acquire all of the Company Shares (excluding the treasury shares held by the Company and the Non-Tendered Shares) through the Tender Offer. Thus, at the request of the Planned Allottee, the Company decided to implement the Share Consolidation, in which 1,048,714 Company Shares would be consolidated into 1 share subject to the approval of shareholders at the Extraordinary Shareholders Meeting, for the purpose of making the Planned Allottee and Sumitomo Electric Industries the sole shareholders of the Company, as announced in the "Notice of Convocation of Extraordinary Shareholders Meeting Concerning Share Consolidation, Abolition of the Provisions of Share Units and Partial Amendment to the Articles of Incorporation," announced by the Company on January 7, 2026. As a result of the Share Consolidation, the number of the Company Shares held by shareholders other than the Planned Allottee and Sumitomo Electric Industries will be fractional shares.

Furthermore, as announced in the Opinion Press Release, in addition to the Share Consolidation, it was contemplated in the Transaction that, after the Share Consolidation becomes effective, the Company would buy back (the "Share Buy Back") the Non-Tendered Shares (excluding shares equivalent to fractions of less than one share resulting from the Share Consolidation), thereby eventually causing the Company to become a wholly-owned subsidiary, and that, for the purpose of securing funds to implement the Share Consolidation and securing the distributable amount to implement the Share Consolidation, the Planned Allottee would provide funds to the Company to be used for the Share Consolidation through third-party allotment of class shares with no voting rights, and that the Company would reduce the amounts of capital stock and legal capital surplus of the Company pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act.

The Capital Increase through Third-Party Allotment and the Capital Reduction are to be implemented as a third-party allotment to the Planned Allottee and a reduction in the amounts of capital stock and legal capital surplus, which were planned as part of the Transaction, thereby securing funds and distributable amount to implement the Share Buy Back.

## 3. Amounts, Usage and Scheduled Timing of Use of the Funds to be Procured

### (1) Amounts of funds to be procured

(i)	Total amount to be paid in	JPY 123,033,219,326
(ii)	Estimated issuance expenses	JPY 433,000,000
(iii)	Estimated retained balance	JPY 122,600,219,326

(Note 1) Estimated issuance expenses do not include consumption taxes.

(Note 2) Estimated issuance expenses are comprised of registration and license tax and legal advisers' fees.

(2) Specific usage and scheduled timing of use of funds to be procured

	Specific usage	Amount (JPY)	Scheduled timing of use
(i)	Funds for implementing the Share Buy Back	122,600,219,326	March 2026

4. Reasonableness of the Use of Proceeds

The Capital Increase through Third-party Allotment is intended to secure funds and a sufficient distributable amount for the execution of the Share Buy Back. After the Capital Increase through Third-party Allotment becomes effective, the Company will implement the Capital Reduction to secure a distributable amount for the Share Buy Back and will apply the entire proceeds raised through the Capital Increase through Third-party Allotment to finance the Share Buy Back. These actions will be implemented as part of the Transaction with the Planned Allottee, and the Company determined that the use of proceeds is reasonable.

5. Reasonableness of the Issuance Terms

(1) Basis for Determining the Amount to be Paid in and Specific Details

As stated in the Opinion Press Release, while the Tender Offer Price has been set at JPY 9,760 per share in the Tender Offer, from the standpoint of reconciling the maximization of the Tender Offer Price and fairness among shareholders, the consideration for the Share Buy Back is planned to be a total of JPY 122,604,105,026 (JPY 6,877 per share prior to the Share Consolidation). Taking into account the need to secure funds and a distributable amount for the execution of the Share Buy Back and issuance-related expenses, the amount to be paid in for the Capital Increase through Third-party Allotment has been set at JPY 123,033,219,326 per share. If the Share Consolidation becomes effective, as of the payment date for the Capital Increase through Third-party Allotment (March 24, 2026), the Company's shareholders will consist solely of the Planned Allottee and Sumitomo Electric Industries. The Capital Increase through Third-party Allotment is intended to secure funds to enable the acquisition from Sumitomo Electric Industries of all of the Company Shares it holds (the Share Buy Back) and to secure a distributable amount through the Capital Reduction upon the Capital Increase through Third-party Allotment becoming effective. Since such amount has been set with the objective of making it possible to carry out the Share Buy Back at the total consideration originally contemplated, the Company considers the amount to be reasonable.

With respect to the fair value of class shares for which no objective market price exists, the calculation is highly sophisticated and complex, and various opinions may exist regarding its valuation. Accordingly, the Company cannot completely rule out the possibility that the payment amount could be regarded as especially favorable to the Planned Allottee. Therefore, as a precautionary measure, the implementation of the Capital Increase through Third-party Allotment is subject to the approval of the proposal relating to the Capital Increase through Third-party Allotment at the Company's shareholders meeting (including a written resolution pursuant to Article 319, Paragraph 1 of the Companies Act). The shareholders entitled to exercise voting rights on the resolution will be limited to the Planned Allottee and Sumitomo Electric Industries, who will be the Company's shareholders after the effective date of the Share Consolidation (March 5, 2026). No shareholders meeting composed of the Company's shareholders as of any date prior to the effective date of the Share Consolidation will be convened for the purpose of the Capital Increase through Third-party Allotment.

(2) Specific Usage and Scheduled Timing of Use of Funds to be Procured

The Capital Increase through Third-party Allotment is conducted as part of the Transaction, and it is contemplated that the Planned Allottee will ultimately make the Company a wholly-owned subsidiary as of the payment date (March 24, 2026) by

implementing the Share Buy Back after the Capital Increase through Third-party Allotment and the Capital Reduction become effective. Therefore, the Capital Increase through Third-party Allotment can be regarded as being conducted to the Planned Allottee, who is the Company's sole shareholder, in substance, and the dilution resulting from the Capital Increase through Third-party Allotment does not raise concerns from the standpoint of protecting the interests of existing shareholders. Moreover, the number of shares to be issued (one share) has been set at a scale necessary to achieve the purpose of the Capital Increase through Third-party Allotment, which is to secure funds and a distributable amount for the execution of the Share Buy Back. Therefore, the Company considers that both the number of shares to be issued under the Capital Increase through Third-party Allotment and the scale of the resulting dilution to be reasonable. The Class A Preferred Share is a non-voting class share and does not carry any put or call rights or other acquisition provisions under which holders would receive common shares as consideration. Therefore, there will be no dilution of the voting rights attached to the common shares.

## 6. Reason for Selecting the Planned Allottee

### (1) Outline of the Planned Allottee

(1)	Name	Daiwa House Industry Co., Ltd.	
(2)	Location	3-3-5 Umeda, Kita-ku, Osaka-shi, Osaka	
(3)	Job title and name of Representative	Keiichi Yoshii, President and CEO	
(4)	Description of business	Construction business, urban development business, real estate management business, overseas business, etc.	
(5)	Share capital	JPY 162,602 million (as of September 30, 2025)	
(6)	Date of establishment	March 4, 1947	
(7)	Total number of issued shares	659,636,182 shares (as of September 30, 2025)	
(8)	Fiscal year	March 31	
(9)	Number of employees	50,390 (consolidated) (as of March 31, 2025)	
(10)	Major customers	General customers	
(11)	Main banks	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited	
(12)	Major shareholders and ownership ratios (as of September 30, 2025) (Note 1)	The Master Trust Bank of Japan, Ltd. (Trust account)	17.36%
		Custody Bank of Japan, Ltd. (Trust account)	5.99%
		STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	2.50%
		Daiwa House Industry Employee Stock Ownership Association	2.41%
		STATE STREET BANK WEST CLIENT TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	2.26%
		Sumitomo Mitsui Banking Corporation	1.95%
		Nippon Life Insurance Company	1.93%
		JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	1.37%
		National Mutual Insurance Federation of Agricultural Cooperatives	1.24%
		MUFG Bank, Ltd.	1.13%
(13)	Relationship between the Company and the Planned Allottee		
	Capital relationship	The Planned Allottee holds 14,389,928 shares of the Company Shares as of today (January 30, 2026).	
	Personnel relationship	Not applicable.	
	Business relationship	The Company has received orders from the Planned Allottee for facilities work.	

	Related party relationship	The Planned Allottee is the Company’s Major Shareholder and Other Affiliated Company and therefore constitutes a related party of the Company.		
(14)	Operating results and financial conditions for the last three fiscal years			
Fiscal year	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	
Consolidated net assets	JPY 2,388,914 million	JPY 2,523,762 million	JPY 2,716,745 million	
Consolidated total assets	JPY 6,142,067 million	JPY 6,533,721 million	JPY 7,049,323 million	
Consolidated net assets per share	JPY 3,466.86	JPY 3,810.21	JPY 4,226.17	
Consolidated net sales	JPY 4,908,199 million	JPY 5,202,919 million	JPY 5,434,819 million	
Consolidated operating income	JPY 465,370 million	JPY 440,210 million	JPY 546,279 million	
Consolidated ordinary income	JPY 456,012 million	JPY 427,548 million	JPY 515,985 million	
Net income attributable to owners of the parent	JPY 308,399 million	JPY 298,752 million	JPY 325,058 million	
Consolidated earnings per share	JPY 469.12	JPY 457.16	JPY 514.00	
Dividend per share	JPY 130.00	JPY 143.00	JPY 150.00	

(Note 1) This is quoted from "(5) Major Shareholders" under "1. Shares of the Company" under "III. Share Information of the Company" in the Semi-annual Securities Report for the 87th Term submitted by the Planned Allottee on November 14, 2025.

(Note 2) The Planned Allottee is listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"). By reviewing the basic policy for the exclusion of antisocial forces and the status of its implementation described in the Corporate Governance Report submitted by the Planned Allottee to the Tokyo Stock Exchange (last updated on July 11, 2025) on the Tokyo Stock Exchange's website, the Company determined that the Planned Allottee and its officers and major shareholders have no relationship whatsoever with antisocial forces.

(2) Reason for Selecting the Planned Allottee

As described above in "2. Purpose of and Reason for Offering."

(3) Planned Allottee's Policies for Holding Shares

The Company has received an explanation from the Planned Allottee that it plans to hold the Company Shares, including the shares to be allotted, for medium to long term.

(4) Matters Confirmed with the Planned Allottee Regarding Funds Required for the Payment

According to the Planned Allottee, the Planned Allottee plans to finance the Capital Increase through Third-party Allotment through a loan from Mizuho Bank, Ltd. ("Mizuho Bank"). The Company has reviewed the letter from Mizuho Bank confirming the availability of the loan and has determined that the Planned Allottee has sufficient financial resources to make the payment for the Capital Increase through Third-party Allotment.

7. Major Shareholders after the Third-party Allotment and Their Shareholding Ratios

(1) Common shares

Before the Capital Increase through Third-party Allotment (as of March 5, 2026)		After the Capital Increase through Third-party Allotment
Sumitomo Electric Industries, Ltd.	56.67%	Same as left
Daiwa House Industry Co., Ltd.	43.33%	

(Note 1) The major shareholders before the Capital Increase through Third-party Allotment and their shareholding ratios are based on the description of shareholders of the Company as of the effective date of the Share Consolidation on March 5, 2026. The total number of fractional shares less than one whole share is excluded from the basis of calculation of shareholding ratios.

(Note 2) The shareholding ratios before the Capital Increase through Third-party Allotment are rounded to two decimal places.

(2) Class A Preferred Shares

Before the Capital Increase through Third-party Allotment (as of March 5, 2026)	After the Capital Increase through Third-party Allotment
Not applicable	Daiwa House Industry Co., Ltd. 100.00%

8. Future Prospectus

The Capital Increase through Third-party Allotment will have no impact on the Company's operating results.

9. Matters Concerning Procedures for Corporate Code of Conduct

The Capital Increase through Third-party Allotment will (i) result in the dilution rate of less than 25% and (ii) not involve changes in controlling shareholders. Consequently, the Company is not required to take procedures for obtaining an opinion from an independent third party and confirming the intent of shareholders as provided for in Article 432 of the Securities Listing Regulations set forth by the Tokyo Stock Exchange.

10. Operating Results for and Status of Equity Finance Executed in the Past Three Years

(1) Operating Results (consolidated) for the past three years

	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Consolidated revenue	JPY 175,120 million	JPY 185,524 million	JPY 203,639 million
Consolidated operating profit	JPY 13,461 million	JPY 12,548 million	JPY 17,886 million
Consolidated ordinary profit	JPY 14,394 million	JPY 13,502 million	JPY 18,914 million
Net income attributable to owners of the parent	JPY 9,384 million	JPY 10,060 million	JPY 12,800 million
Consolidated net earnings per share	JPY 265.05	JPY 284.09	JPY 363.52
Dividend per share	JPY 94.00	JPY 106.00	JPY 146.00
Consolidated net asset per share	JPY 2,681.14	JPY 2,988.28	JPY 3,232.72

(2) Current number of issued shares and dilutive shares (as of January 30, 2026)

	Number of shares	Ratio to total number of issued shares
Number of issued shares	35,635,879 shares	100.00%
Number of dilutive shares at the current conversion price (exercise price)	-	-
Number of dilutive shares at minimum conversion price (exercise price)	-	-
Number of dilutive shares at maximum conversion price (exercise price)	-	-

(3) Recent share prices

(i) Share prices over the past three years

	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Opening	JPY 2,218	JPY 2,574	JPY 3,400
High	JPY 2,755	JPY 3,460	JPY 5,260
Low	JPY 2,096	JPY 2,444	JPY 2,929
Closing	JPY 2,554	JPY 3,365	JPY 4,850

(ii) Share prices for the past six months

	2025 August	September	October	November	December	2026 January
Opening	JPY 6,540	JPY 6,710	JPY 6,360	JPY 9,710	JPY 9,740	JPY 9,700
High	JPY 7,210	JPY 6,870	JPY 9,760	JPY 9,740	JPY 9,940	JPY 9,710
Low	JPY 6,370	JPY 6,270	JPY 6,280	JPY 9,710	JPY 9,670	JPY 9,690
Closing	JPY 6,740	JPY 6,390	JPY 9,710	JPY 9,740	JPY 9,680	JPY 9,700

(Note) The share prices for January 2026 are those up to January 29, 2026.

(iii) Share price on the business day immediately preceding the date of resolution authorizing the issuance

	January 29, 2026
Opening	JPY 9,700
High	JPY 9,710
Low	JPY 9,700
Closing	JPY 9,700

(4) Equity finance executed in the past three years

Not applicable.

11. Terms and Conditions of Issuance

Please see Appendix "Terms and Conditions of Class A Preferred Share".

II. Capital Reduction

1. Purpose of the Capital Reduction

In order to secure the distributable amount to implement the Share Buy Back, the Company decided on the Capital Reduction to reduce the entire amounts of capital stock and legal capital surplus increased through the Capital Increase through Third-party Allotment and to transfer the amounts to other capital surplus. The Capital Reduction will be on the condition that the payment for the Capital Increase through Third-party Allotment is made.

2. Outline of the Capital Reduction

(1) Amount of capital stock to be reduced

The amount of capital stock after the Capital Increase through Third-party Allotment of JPY 67,957,047,465 will be reduced by JPY 61,516,609,663 to JPY 6,440,437,802.

(2) Item and amount of legal capital surplus to be reduced

The amount of legal capital surplus after the Capital Increase through Third-party Allotment of JPY 67,554,707,575 will be reduced by JPY 61,516,609,663 to JPY 6,038,097,912.

(3) Item and amount of surplus to be increased

Other capital surplus JPY 123,033,219,326

(4) Method of the Capital Reduction

After implementing reduction of capital stock and legal capital surplus in accordance with Article 447, Paragraphs 1 and 3, and Article 448, Paragraphs 1 and 3, of the Companies Act, the Company will transfer the entire amounts of capital stock and legal capital surplus to other capital surplus. The Company will reduce the amounts of capital stock and legal capital surplus by the same amounts as the amounts of capital stock and legal capital surplus increased due to the Capital Increase through Third-party Allotment concurrently with the increase of the amounts of capital stock and legal capital surplus due to the Capital Increase through Third-party allotment, and hence the amounts of capital stock and legal capital surplus after the effective date will not fall below the amounts before the effective date. Therefore, the Company will implement the Capital Reduction by resolution of the Board of Directors in accordance with the provisions of Article 447, Paragraph 3 and Article 448, Paragraph 3 of the Companies Act.

3. Schedule for the Capital Reduction

(1)	Date of resolution of the Board of Directors	January 30, 2026
(2)	Date of public notice with respect to statements of objection by creditors	February 12, 2026 (planned)
(3)	Final deadline for statements of objection by creditors	March 14, 2026 (planned)
(4)	Effective date of capital reduction	March 24, 2026 (planned)

4. Future Prospectus

The Capital Reduction is a process of transfer within the accounting items in the net assets section of the Company's balance sheet and will not change the amount of net assets, and there will be no impact on the Company's operating results.



## Appendix

### Terms and Conditions of Class A Preferred Share

1.	Issuer	Sumitomo Densetsu Co., Ltd. (the "Company")
2.	Class of Shares Offered for Subscription	Class A preferred share ("Class A Preferred Share")
3.	Number of Shares Offered for Subscription	1 share
4.	Amount to be Paid in for Shares Offered for Subscription	JPY 123,033,219,326 per share (the "Amount to be Paid in")
5.	Capital Stock and Legal Capital Surplus to be Increased	Capital stock: JPY 61,516,609,663 Legal capital surplus: JPY 61,516,609,663
6.	Total Amount to be Paid in	JPY 123,033,219,326
7.	Payment Date	March 24, 2026
8.	Method of Issuance	1 Class A Preferred Share will be allotted to Daiwa House Industry Co., Ltd. through third-party allotment.
9.	Dividends of Surplus	<p>(1) If the Company distributes dividends of surplus, the Company shall make distribution of surplus to the holders of the Class A Preferred Share (the "Class A Preferred Shareholder") or the registered pledgee of the Class A Preferred Share (together with the Class A Preferred Shareholder, the "Class A Preferred Shareholder/Pledgee") entered or recorded in the latest shareholders' register as of the record date for the distribution of the relevant dividends in the amount per Class A Preferred Share as set forth in (2) below (the "Class A Preferred Dividend"), prior to making any distribution to the holders of common shares (the "Common Shareholders") or the registered pledgees of common shares (together with the Common Shareholders, the "Common Shareholders/Pledgees") entered or recorded in the latest shareholders' register as of such record date. However, if all or part of the Class A Preferred Dividend has been paid to the Class A Preferred Shareholder/Pledgee with respect to the record date falling within the relevant fiscal year, the amount of the dividend shall be the amount after deducting the amount of such dividend.</p> <p>(2) The amount of the Class A Preferred Dividend per Class A Preferred Share for any fiscal year shall be the amount equivalent to 4% of the Amount to be Paid in per Class A Preferred Share. However, for the fiscal year ending March 31, 2026, the amount shall be calculated on a pro rata basis according to the number of days from the day following the payment date to the last day of such fiscal year, based</p>

on a 365-day year (fractions less than one yen shall be rounded down).

- (3) If the total amount of dividends of surplus per share paid to the Class A Preferred Shareholder/Pledgee with respect to the record date falling within any fiscal year falls short of the amount of the Class A Preferred Dividend for the relevant fiscal year, the amount of such shortfall per Class A Preferred Share (the "Class A Cumulative Accrued Dividend") shall be accumulated for the fiscal years following that fiscal year.
- (4) The Company shall not pay dividends of surplus to the Class A Preferred Shareholder/Pledgee in excess of the sum of the amount of the Class A Preferred Dividend and the amount of the Class A Cumulative Accrued Dividend.

10. Distribution of Residual Assets	<ul style="list-style-type: none"><li>(1) If the Company distributes its residual assets, the Company shall pay to the Class A Preferred Shareholder/Pledgee the sum of the amount equivalent to the Amount to be Paid in per Class A Preferred Share and the Class A Cumulative Accrued Dividend for 1 Class A Preferred Share, prior to making any distribution to the Common Shareholders/Pledgees (however, if a share split, share consolidation or any similar event occurs with respect to the Class A Preferred Share, the amount shall be appropriately adjusted in proportion to such event).</li><li>(2) The Company shall not make distribution of its residual assets to the Class A Preferred Shareholder/Pledgee other than as provided for in (1) above.</li></ul>
11. Voting Rights	The Class A Preferred Shareholder shall not be entitled to vote at the Company's shareholders meeting.
12. Restriction on Transfer	The acquisition of the Company's Class A Preferred Share by transfer shall be subject to the approval of the Company's shareholders meeting.
13. Class Meeting of Shareholders	<ul style="list-style-type: none"><li>(1) If the Company takes any action set forth in each item of Article 322, Paragraph 1 of the Companies Act, a resolution of a class meeting of shareholders composed of the Common Shareholders and the Class A Preferred Shareholder shall not be required. However, this shall not apply to an amendment to the Articles of Incorporation provided for in item 1 of the same Paragraph (excluding amendments relating to the share unit).</li><li>(2) If the Company issues shares or share options, a resolution of a class meeting of shareholders composed of the Common Shareholders or the Class A Preferred Shareholder, as provided for in Article 199, Paragraph 4 or Article 238, Paragraph 4 of the Companies Act, shall not be required.</li></ul>